

## **ROYAL BAFOKENG PLATINUM LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number: 2008/015696/06)

JSE share code: RBP ISIN: ZAE000149936

("RBPlat" or the "Company")

### **RBPLAT RESPONSE TO FIRM INTENTION ANNOUNCEMENT BY IMPALA PLATINUM HOLDINGS LIMITED ("IMPLATS") REGARDING AN OFFER TO ACQUIRE ALL OF THE SHARES OF RBPLAT NOT ALREADY HELD BY IMPLATS**

#### **1. INTRODUCTION**

- 1.1. Shareholders of RBPlat are referred to the firm intention announcement released by Implats on SENS on Monday, 29 November 2021 (the "**Firm Intention Announcement**") in terms of Regulation 101(4)(a) of the Companies Regulations, 2011 ("**Companies Regulations**") in relation to Implats' firm intention to make a general offer ("**Offer**") to the holders of issued ordinary shares of RBPlat ("**RBPlat Shareholders**") for Implats to acquire the issued ordinary shares of RBPlat, other than treasury shares, that it does not already hold ("**RBPlat Shares**") as contemplated in section 117(1)(c)(v) of the Companies Act, No. 71 of 2008, as amended ("**Companies Act**") and Chapter 5 of the Companies Regulations.
- 1.2. As set out in the Firm Intention Announcement, the Offer consideration is an amount of approximately R150 per RBPlat Share, consisting of: (i) a cash amount of R90 per RBPlat Share; and (ii) 0.300 ordinary shares in Implats ("**Implats Shares**") per RBPlat Share (the value of which equates to R60 at the 3-day volume weighted average price\* ("**VWAP**") of Implats Shares as at the close of business on 24 November 2021). The terms of the Offer are set out in further detail in the Firm Intention Announcement. Implats has further advised in the Firm Intention Announcement that it has already concluded agreements with certain institutional shareholders of RBPlat, being Abax Investments, Allan Gray (Pty) Ltd, Coronation Asset Management (Pty) Ltd, M&G Investment Managers (Pty) Ltd and Ninety One SA (Pty) Ltd, which the Takeover Regulation Panel ("**TRP**") has permitted Implats to approach, to acquire 70,859,372 RBPlat Shares constituting approximately 24.52% of the RBPlat Shares in issue.
- 1.3. The Offer consideration referred to in paragraph 1.2 above represents a premium of 22% to RBPlat's closing share price of R121.92 as at the close of business on 24 November 2021, being the reference date referred to in the Firm Intention Announcement (on the basis of Implats' closing share price as at the close of business on 24 November 2021). The Offer consideration also represents a premium of 62% to RBPlat's undisturbed closing share price of R94.80 as at the close of business on 26 October 2021 (on the basis of Implats' closing share price on that date), being the date prior to the release of RBPlat's and Implats' joint cautionary announcement on 27 October 2021, and a premium of 75% to RBPlat's 30-day VWAP\* of R83.33 as at 26 October 2021 (on the basis of Implats' 30-day VWAP\* as at the same date).

\* Source: Bloomberg

- 1.4. The purpose of this announcement is to confirm that the Company has received a letter communicating Implats' firm intention to make the Offer (the "**Firm Intention Letter**") and provide RBPlat Shareholders with additional guidance and information in respect of the Offer, including next steps.
- 1.5. RBPlat has, as contemplated in Regulation 108 of the Companies Regulations, constituted an independent board of directors, consisting of Mr. Mark Moffett (Lead Independent and Chair of the Independent Board), Ms. Zanele Matlala, Ms. Louisa Stephens, Mr. Peter Ledger, Mr. Mike Rogers and Ms. Thoko Mokgosi-Mwantembe ("**Independent Board**") to fulfil the role of an "independent board" for the purpose of the Offer and advising shareholders thereon as required by the Companies Regulations.
- 1.6. Implats has confirmed that there are no parties acting in concert with it as it relates to the Offer.

## 2. **OFFER CIRCULARS**

- 2.1. In accordance with Regulation 102(2)(a) of the Companies Regulations, Implats must post its offer circular in respect of the Offer to RBPlat Shareholders ("**Implats Circular**") within 20 business days of the publication of the Firm Intention Announcement. Implats has advised in the Firm Intention Announcement that the TRP has approved the issue of the circular by no later than 17 January 2022.
- 2.2. Within 20 business days of the Implats Circular being posted to RBPlat Shareholders, RBPlat will post its response circular ("**RBPlat Circular**"), as required by Regulation 102(9) of the Companies Regulations.

## 3. **INDEPENDENT EXPERT OPINION**

- 3.1. The Independent Board has appointed PSG Capital Proprietary Limited ("**Independent Expert**") as an independent expert, as required by the Companies Regulations, to issue a report on the Offer and to express an opinion on whether the terms and conditions of the Offer are fair and reasonable to RBPlat Shareholders.
- 3.2. The opinion of the Independent Expert and the basis for its conclusion will be included in the RBPlat Circular.

## 4. **INDEPENDENT BOARD VIEWS**

- 4.1. The Independent Board is considering the Firm Intention Letter and Firm Intention Announcement together with its advisers.
- 4.2. As has been previously communicated to RBPlat Shareholders, RBPlat was previously in discussions with Implats relating to a potential transaction in terms of which Implats would acquire 100% of the issued ordinary shares of RBPlat, other than treasury shares, by way of a scheme of arrangement in terms of section 114 of the Companies Act. These discussions were premised on a mutual belief that, amongst other things, there is potential for significant synergies between Implats and RBPlat.
- 4.3. As noted in the Firm Intention Announcement, prior to delivery of the Firm Intention Letter, the key terms of the Offer were presented to the Independent Board. Following such presentation, the Independent Board believed it would be in the best interests of the RBPlat Shareholders to afford them the opportunity to consider and participate in the Offer, should they so choose.

- 4.4. To facilitate the Offer, RBPlat has entered into a co-operation agreement with Implats in relation to the Offer ("**Co-operation Agreement**"), which will be described in further detail in the RBPlat Circular. The salient features of the Co-operation Agreement include that RBPlat, other than as required by applicable law, shall not (among other things) approve, solicit, invite or otherwise facilitate any "Competing Proposal", which refers to any offer, proposal, expression of interest, enquiry, negotiation, discussion or corporate action that could or might frustrate or prevent the Offer from being explored or implemented. Should RBPlat breach any of these provisions, it will be liable for a break fee equal to 0.5% of the total Offer value. If RBPlat receives an unsolicited Competing Proposal that appears to RBPlat to be superior to the terms and conditions of the Offer, RBPlat must give Implats an opportunity to make proposals to RBPlat in respect of an alternative arrangement or transaction in response thereto, and should Implats fail to make such proposals, the restrictions on RBPlat referred to above will fall away.
- 4.5. The Independent Board does not express any view or recommendation on the merits of the Offer at this stage. The opinion of the Independent Board, after taking into consideration the opinion of the Independent Expert as discussed in paragraph 3 above, will be set out in the RBPlat Circular.

## 5. **RESPONSIBILITY STATEMENT**

The Independent Board, individually and collectively, accepts responsibility for the accuracy of the information contained in this announcement, which relates to RBPlat and has placed reliance on the information pertaining to Implats as presented by Implats in the Firm Intention Announcement. To the best of the Independent Board's knowledge and belief, the information contained in this announcement is true and nothing has been omitted which is likely to affect the importance of such information.

Johannesburg

29 November 2021

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### **Forward-Looking Statements**

This announcement contains "forward-looking statements". Forward-looking statements can be identified by words like "may," "will," "likely," "should," "expect," "anticipate," "future," "plan," "believe," "intend," "goal," "seek," "estimate," "project," "continue" and similar expressions. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of RBPlat and Implats' business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of RBPlat's control. RBPlat's and Implats' actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. The forward-looking statements included in this announcement are made only as of the date of this announcement, and except as otherwise required by law, RBPlat does not have any obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances.

### **Important information for US shareholders**

RBPlat is a public company incorporated in South Africa and understands that the Offer will be made by Implats to RBPlat Shareholders in the United States in compliance with the applicable US tender offer rules under the US Securities Exchange Act of 1934, as amended ("**US Exchange Act**"), including Regulation 14E thereunder, and otherwise in accordance with the requirements of South African law. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, the offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer law and practice. The financial information of RBPlat and Implats, including any included in the Offer documentation, will not have been prepared in accordance with US GAAP, or derived therefrom, and may therefore differ from, and not be comparable with, financial information of US companies.

The Implats Shares to be issued pursuant to the Offer as part of the Offer consideration ("**Consideration Shares**") have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), or under any laws or with any securities regulatory authority of any state, district or other jurisdiction, of the United States, and may only be offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable state and other securities laws. There will be no public offer of any securities in the United States. This announcement does not constitute an offer to sell or solicitation of an offer to buy any of the shares in the United States. Further

details of which US and other RBPlat Shareholders are eligible to receive the Consideration Shares, and the procedural steps required to be taken by such persons to so receive such shares, as well as the procedures for those US and other RBPlat Shareholders who do not so qualify to receive the Consideration Shares, will be set forth in the Implats Circular.

Implats has stated that it and its affiliates or brokers (acting as agents for Implats and its affiliates, as applicable) may from time to time, and other than pursuant to the Offer, directly or indirectly, purchase, or arrange to purchase outside the United States, shares in RBPlat or any securities that are convertible into, exchangeable for or exercisable for such shares before or during the period in which the Offer remains open for acceptance, to the extent permitted by, and in compliance with, Rule 14e-5 under the US Exchange Act. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Information about any such purchases or arrangements to purchase that is made public in accordance with South African law and practice will be available to all investors (including in the United States) via announcements on the Stock Exchange News Service (or "**SENS**") of the JSE Limited.

Neither the US Securities and Exchange Commission ("**SEC**") nor any US state securities commission has approved or disapproved of the Consideration Shares to be issued in connection with the Offer, or determined if this announcement or the Offer Circular is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

The Consideration Shares have not been and will not be listed on a US securities exchange or quoted on any inter-dealer quotation system in the United States.

The Offer, if consummated, may have consequences under US federal income tax and applicable US state and local, as well as non-US, tax laws for RBPlat Shareholders. Each RBPlat Shareholder is urged to consult his or her independent professional adviser regarding the tax consequences of the Offer.

It may not be possible for RBPlat Shareholders in the United States to effect service of process within the United States upon RBPlat and/or Implats (each a company incorporated in South Africa), or their respective officers or directors, some or all of which may reside outside the United States, or to enforce against any of them judgments of the United States courts predicated upon the civil liability provisions of the federal securities laws of the United States or other US law. It may not be possible to bring an action against RBPlat and/or Implats or their respective officers or directors, in a non-US court for violations of US law, including the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement. In addition, it may be difficult to enforce in South Africa original actions, or actions for the enforcement of judgments of US courts, based on the civil liability provisions of the US federal securities laws.